

U.S. Department of Housing and Urban Development



# Summer 2005

Energy Action e-Newsletter, a quarterly e-Newsletter that presents key issues affecting residential energy efficiency and provides regular updates on progress made in implementing HUD's Energy Action Plan. Future issues of the e-Newsletter will provide you with information about what you can do to incorporate energy efficiency and conservation in housing; available resources; upcoming conferences and programs; and lessons from the field.

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# Deputy Secretary speaks out on Energy Action Plan – Stresses Importance of Energy Efficiency

In remarks at HUD's May 10 Energy Workshop, Deputy Secretary Roy Bernardi stressed the benefits to be accrued from implementing HUD's Energy Action Plan. "This is a unique opportunity," he said," for Headquarters



and the Field, along with our customers and partners, to get their heads, hearts and minds together to do something that - if we do it right - will result in real savings for the Department and will also benefit the country by reducing our dependence on foreign oil." Pointing to HUD's \$4 billion "energy bill" he said that even a modest reduction in this expense could yield hundreds of millions of dollars in savings to homeowners, renters and property owners. For many people, utility bills are the second largest household expense after mortgage payments or rent. When energy prices go up, the burden falls especially hard on low- to moderate-income families. He reminded program and regional offices of the goal of implementing all 21 actions in the Energy Action Plan by the end of this fiscal year, and announced that he had asked the Energy Task Force to develop a two-year Phase II Energy Plan for fiscal years 2006 and 2007to include specific performance measures without burdensome reporting requirements.

# **HUD Sponsors Energy Action Workshops**

Over the last two months, HUD has hosted a series of Energy Workshops to provide information on its  $\underline{\textit{Energy Action Plan.}}$ . The workshops include presentations by HUD representatives, the Environmental Protection Agency (EPA) and the design and

consulting firm, Steven Winter and Associates, Inc. In addition, each workshop hosted sessions to address particular issues and concerns affecting their regions.



# Southeast Regional Energy Conference – Birmingham Alabama

The workshop series was kicked off on April 7, 2005, when more than 250 persons from Alabama and surrounding states participated. Birmingham's Mayor Bernard Kincaid made opening remarks to this day long event that included workshops on topics including Energy Efficient Mortgages and improving energy efficiency in public housing. To view pictures of the event, <u>click here.</u>

#### Satellite Broadcast with Deputy Secretary Bernardi

On May 10, 2005, participants joined Deputy Secretary Roy Bernardi and other HUD representatives for an afternoon

#### **Upcoming Workshops:**

Throughout the spring and summer 2005, HUD is sponsoring and participating in a series of workshops that describe our Energy Action initiatives and provide useful information for saving energy. We will be in:

Los Angeles, CA on June 15, 2005 – HUD is partnering with the Enterprise Foundation to host a conference on energy efficiency and green building. The conference will highlight both HUD's Energy Action Plan and the Enterprise Foundation's Green Building Initiative. For further information email rhyerstay@enterprisefoundation.org.

Pittsburgh, PA on August 9, 2005 - HUD, in partnership with the Center for Environmental Research and Education (CERE) at Duquesne University and Conservation Consultants Incorporated (CCI), will be presenting a one-day Energy Conference for Pennsylvania's public housing authorities, multifamily housing representatives (developers, sponsors, owners and managers), Community Development Block Grant and HOME grantees, FHA-approved housing counseling agencies and others.

Long Beach, CA on August 14, 2005 at the ENERGY2005 Federal Energy Management Program (FEMP) conference to discuss new partnerships with other federal agencies, non-profits and industry representatives working on energy efficiency and conservation. To register for this event, please email HUDEnergy@hud.gov or call the Energy Action Hotline at 703.838.0093 x100.

HUD Field Offices are hosting additional workshops and training sessions throughout the year. Stay tuned for more information about the sessions and how you can participate.

workshop that spotlighted HUD initiatives highlighting the increasing importance of performance contracting and the recent releases of fiscal year 2005 SuperNOFA and the Mortgagee Letter for Energy Efficient Mortgages. Aside from 120 participants who were able to attend the workshop, the event was broadcast via satellite and the Web so that HUD staff, partners and customers could participate throughout the country. To get copies of the presentations or to view the Webcast, *click here*.

#### Affordable Comfort, Indianapolis

As part of the Affordable Comfort Conference, held in Indianapolis, IN the week of May 16, 2005, HUD hosted a workshop that brought together conference participants, HUD partners, customers and staff to discuss a wide range of energy-related issues. Indianapolis Field Office Director John Hall offered opening remarks and, the workshop concluded with a panel discussion with Indianapolis Field Office staff about available resources and support.

### **Energy Performance Contracting Workshops**

HUD convened training workshops for housing authorities and energy service companies from May 17 through 19, 2005, on energy performance contracting in public housing. An initial workshop was held in San Francisco, CA on May 17, and another panel was convened in Las Vegas, NV on May 19.

# **Implementing the Action Plan**

HUD's Action Plan includes 21 measures adopted by the Department to reduce energy costs for property managers, renters and homeowners. The following are recent Departmental activities aimed at implementing these measures.

#### Action 9: Feature the Energy Efficient Mortgage as a Priority Loan Product.

Action 9 of HUD's Energy Action Plan calls for the promotion of FHA's Energy Efficient Mortgage (EEM) as a priority loan product. The EEM Mortgage Program, established in 1993, recognizes that improved energy efficiency of a house can increase its affordability. The EEM is an add-on to other FHA loans, where a borrower can finance 100 percent of the expense of cost effective improvements without having to qualify for the additional funds.

In May 2005, HUD issued a new Mortgagee Letter on Energy Efficiency Mortgages. The new Letter, Mortgage Letter 2005-21, consolidates and clarifies existing policies for the EEM program and describes enhancements which to expand its usage. The 2000 International Energy Conservation Code (IECC) is now HUD's standard for energy efficiency. Borrowers getting a new construction EEMs can now also get stretch ratios for qualifying. The new payment on a streamline refinance can now exceed the old payment by the estimated amount of energy savings. EEMs can now be underwritten using an Automated Underwriting System. The EEM can be combined with FHA's weatherization mortgage component to increase the dollar amount available for energy improvements. To access Mortgage Letter 2005-21, *click here*.

**Action 11:** Award priority rating points for energy efficiency in competitive grant programs HUD included significant incentives for energy efficiency in this year's Super Notice of Funds Availability (SuperNOFA), published on March 21, 2005. ENERGY STAR and energy efficiency are included as one of HUD's policy priorities, and as such are eligible for one or more points in rating proposals. Applicants constructing, rehabilitating or maintaining housing or community facilities are encouraged to promote energy efficiency in design and operations. They are urged especially to purchase and use products that display the ENERGY STAR label. Applicants providing housing assistance or counseling services are encouraged to promote ENERGY STAR materials and practices, as well as buildings constructed to ENERGY STAR standards, to both homebuyers and renters. Thirteen programs included incentives for energy efficiency, including Section 202 housing for seniors and Section 811 disabled persons. These programs provide a point for meeting Energy Star in single-family construction, or its equivalent in multifamily construction. For more information, *click here.* 

# **Lessons From the Field**

#### Mira Vista Groundbreaking - San Antonio

On June 9, 2005, the Neighborhood Housing Services of San Antonio (NHS), in partnership with a local non-profit affordable housing developer, American Sunrise, announced the new construction of 34 single family homes in San Antonio, its new Energy Efficient Building Plan for 18 of the homes. As part of this plan, NHS will study the long-term impact of energy efficiency improvements on home buyers' monthly utility bills.

NHS is also partnering with the local San Antonio Housing Trust via a \$45,000 grant to develop a permanent energy efficiency package for future NHS homes. NHS hopes to leverage these funds with an upcoming opportunity through the Home Depot Foundation Green Building Grant Program.

Contact:

Neighborhood Housing Services of San Antonio 851 Steves Avenue San Antonio, TX 78210

Web Site: <a href="https://www.nhsofsa.org">www.nhsofsa.org</a>
Phone: 210.533.6673

#### Austin Resource Center for the Homeless

The Austin Resource Center for the Homeless, Austin, TX is one of the first green, energy efficient homeless shelters in the nation. The Resource Center, designed by the architectural firm LZT Architects, Inc., is an emergency shelter that includes a large common-use room, showers and locker rooms, laundry facilities, a computer room, an art studio and offices for various community-support agencies. A health clinic is located on the first floor.

- Energy efficiency features include a passive solar hot water system and photovoltaic solar panels. The passive-solar hot-water system preheats water for the showers, and the photovoltaic array supplements electricity usage.
- Green features include preferred parking for carpools, storage space for bicycles and a fueling station for an electric car. A 13,000-gallon rainwater collection system supplements the building's water supply. Many of the materials used in the project contain rapidly renewable or recycled content.

The project received funds from various sources including HUD Section 108 loan guarantee of \$5.1 million and \$2.1 in Community Development Block Grant funds from HUD. For more information and to view photos of the Austin Resource Center, *click here.* 

#### **Denny Park Apartments**

Denny Park Apartments, a green, 50-unit affordable housing development in the South Lake Union area of Seattle, is one of the first projects to receive financing through the Enterprise Foundation's new Green Communities Initiative. Denny Park Apartments will be built with various sustainable elements and result in a number of green building benefits for both the residents and the surrounding community.

- Energy benefits include clean and efficient centralized heating and hot water system;
   maximum natural lighting; and energy efficient lighting and controls.
- Environmental benefits include building orientation along an East-West axis; metal roof for clean rainwater runoff; storm water detention through the collection of water in landscaping planters; durable 50-year exterior materials (roofing and siding); continuous ventilation of bathrooms for moisture control; low maintenance landscaping; and recycling of at least 85 percent of existing building when demolished.

To learn more about this project and to view a photo, click here.

#### Grand Opening of Folsom/Dore Apartments

On April 20, 2005, the Citizens Housing Corporation (CHC) hosted a grand opening celebration to mark the completion of the Folsom/Dore Apartments project. HUD Regional Director Richard Rainey, state and federal partners, community supporters and partners and residents attended. The project provides 98 units of quality, affordable housing for low- and very low-income residents with a variety of special needs, including the chronically homeless.

The apartment complex is projected to use 20 percent less energy than a typical building under California's already very efficient Title 24 standards. HUD's Partnership for Advancing Technology in Housing (PATH) provided technical assistance to the project. The project features several innovations from PATH's Technology Inventory:

- Energy innovations such as a highly efficient HVAC system; compact fluorescent lighting; and photovoltaic roof panel that will provide energy for common space lighting.
- Green innovations such as fly-ash concrete; construction waste management; low-or-no-VOC paints; and no-urea-formaldehyde cabinets.

#### **Resources You Can Use**

#### **Free Energy Auditing Software**

The United States Department of Energy (DOE) has energy audit software available free of charge. The software, Weatherization Assistant version 7.4.3, was developed for the Weatherization Assistance Program (WAP) and is available at <a href="http://www.waptac.org">http://www.waptac.org</a>. Look under "Technical Tools" and click on "Energy Audits". Downloading instructions (which include a password) and manuals for the software are also available in PDF format at this location.

While there is not sufficient funding to provide technical support to those outside WAP, you may use this software without further authorization from DOE. Further, you may use multiple installations of the software, but DOE asks that if it is distributed to other organizations, they also register.

#### **ENERGY STAR for New Homes**

Nearly 10 percent of all new homes built in 2004 earned the ENERGY STAR label. Since 1995 over 360,000 of the nation's new homes have earned the ENERGY STAR label for new homes, saving homeowners an estimated \$200 million and eliminating approximately 4 billion pounds of greenhouse gas emissions. Any single-family or multi-family residential home that is three stories or less in height can qualify to receive the ENERGY STAR label.

ENERGY STAR qualified homes are independently verified to be at least 30 percent more energy efficient than homes built to the 1993 national Model Energy Code or 15 percent more efficient than the state energy code, whichever is more rigorous. These savings are based on heating, cooling, and hot water energy use and are typically achieved through a combination of building envelope upgrades, high performance windows, controlled air infiltration, upgraded heating and air conditioning systems, tight duct systems and upgraded water-heating equipment.

An ENERGY STAR qualified new home actually costs less because the home's utility bills are lower than those of non-ENERGY STAR homes. To learn more about ENERGY STAR for New Homes, *click here*.

# **HUD's Regional Energy Coordinators**

Information on HUD's Energy Action Plan and related activities may be obtained from your local <u>HUD Regional Energy Coordinator</u>. You may also contact the Energy Task Force at 202-708-0614 Ext. 4807 (Office of Policy Development and Research) or 202-708-0614 Ext 4642 (Office of Community Planning and Development).

#### Region I - Boston

Bob Paquin Community Planning and Development 617-994-8357

# Region III - Philadelphia

Charlie Famuliner Multifamily Housing 804-771-2100 ext. 3829

# Region V - Chicago

Debbie Wills Field Policy and Management 312-353-6236

# Region VII - Kansas City

Laurie Bedlington Field Policy and Management 913-551-6926

#### Region IX - San Francisco

Wayne Waite Field Policy and Management 775-784-5383 ext. 225

#### Region II - New York City

Ed De Paula Public and Indian Housing 973-622-7900 ext. 3641

# Region IV - Atlanta

Jim Chaplin Field Policy and Management 813-228-2026 ext. 2118

#### Region VI - Dallas/Ft. Worth

Laurence Doxsey Community Planning and Development 210-475-6800 ext. 2882

# Region VIII - Denver

Steve Eggleston Field Policy and Management 303-672-5237

## Region X - Seattle

Debbie Peavler-Stewart Community Planning and Development 206-220-5414



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